

Congress of the United States

Washington, DC 20510

December 15, 2008

The Honorable Vincent C. Gray
Chairman of the Council of the District of Columbia
1350 Pennsylvania Ave., NW Suite 503
Washington, DC 20004

Dear Chairman Gray:

We are writing to share with you our concerns regarding legislation that is moving in the Council of the District of Columbia that impacts our constituents in Maryland and Virginia. We respect the right of the District to pass its own legislation, but are concerned with policy which may be harmful to more than 2 million Marylanders and Virginians.

The Medical Insurance Empowerment Act of 2008 (Bill 17-0934) in its current draft would require CareFirst BlueCross Blue Shield, if found to have excess reserves, to give this money to a community benefit within the District of Columbia. We understand the D.C. Council has been working in good faith with our offices on this legislation, but that we have yet to reach an agreeable solution. Therefore, we ask that you delay further consideration of the bill until all interested parties are able to come to an agreement.

We believe in strong oversight of insurance companies, but also believe that this oversight should be fair and equitable. We welcome the District of Columbia to assess whether the reserves of CareFirst are too high; however, we believe that these reserves belong solely to CareFirst subscribers. Therefore, any excess reserves should be required to be given directly back to the beneficiaries. Given these tough economic times for so many of our constituents, the individuals who have paid into CareFirst must directly benefit from any extra reserves, such as a decrease in their premiums.

There is also a requirement in the most recent draft which requires CareFirst to be the sole funder of the D.C. Open Enrollment Program. We respect the District's decision to create this high risk insurance pool, which allows District residents who would otherwise not be able to obtain coverage due to situations such as pre-existing conditions, to be given an option for health insurance. However, CareFirst should not be the only entity that solely funds this program. Again, we believe this is taking money away from all of the Marylanders, Virginians, and Federal Employees who are CareFirst beneficiaries, to fund a program that only benefits residents of the District of Columbia.

These concerns are shared by our state Insurance Commissioners as well. We know the D.C. Council has been having ongoing discussions to address these concerns with various federal and state offices in Maryland and Virginia, and appreciate the progress that has been made from earlier versions of the bill. However, these two important issues still remain and we urge you to not move forward with the legislation so that our offices can continue this dialogue and reach agreement in the near future.

cc: Congresswoman Eleanor Holmes Norton
Mayor Adrian M. Fenty

Sincerely,



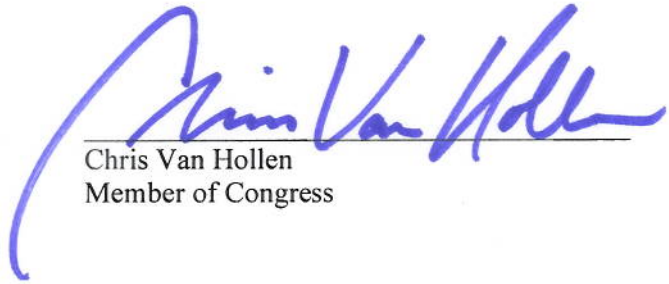
Barbara A. Mikulski
United States Senator



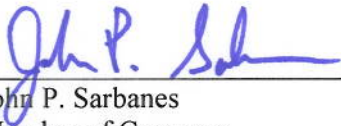
Benjamin L. Cardin
United States Senator



Elijah Cummings
Member of Congress



Chris Van Hollen
Member of Congress



John P. Sarbanes
Member of Congress



Jim Moran
Member of Congress



Frank Wolf
Member of Congress